



Foreign Agricultural Service

**GAIN Report**

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## Hungary

### Grain and Feed

### Prospects 2003/4

### 2003

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**Report Highlights:** Stocks of exportable wheat surpluses are 0.6-0.8 million MT and 1 million MT for corn. Under average weather conditions, the 2003 wheat harvest should be about 4.5 million MT. Next fall's corn harvest may be about 6 - 6.3 million MT.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1], HU

**Situation**

The 2001/02 wheat harvest was 3.9 million MT (from 1.1 million ha) and of 6.1 million MT of corn (from 1.2 million ha). Despite the Hungarian government's actions to boost export sales, the strong national currency and depressed market prices in the region are keeping exports bearish. Stocks of exportable surpluses are 0.6-0.8 million MT for wheat and 1 million MT for corn, according to trade sources.

**Production Prospects**

Fall seeded wheat area (Hungary only grows winter wheat) is roughly the same as last year but the quality of the wintering crop is better than it was a year ago. Under average weather conditions, the 2003 wheat harvest should be about 4.5 million MT.

In spite of depressed corn prices, the 2003 spring corn planting may not diverge from the long term average. Calculating with normal fluctuations and average conditions, the next fall's corn harvest may be about 6 - 6.3 million MT.

**Policy**

The Hungarian government has not published the new (CY2003) production and trade policy measures. The system is entering a period of administrative change because of the EU harmonization/accession process. However, these changes will not significantly impact the grain sector this year.

Short term trade and budget pressures are expected in February 2003, when the contracts for intervention purchase stocks of 370,000 MT of corn expire. The government may be forced to take over grain from producers because of low market prices. Support for public warehousing of wheat (about 1.5 million MT) also runs out in February.

The duty free corn export quota to the EU expired as of the end of 2002.